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Suffolk County IDA preliminarily approves 575 Broadhollow Energy LLC project

July 20, 2021 - Front Section

Melville, NY The Suffolk County Industrial Development Agency (IDA) has preliminarily approved a transaction for 575 Broadhollow Energy LLC for the acquisition and installation of a 7.6-megawatt community distributed generation project. 575 Broadhollow Energy LLC's parent company, Generate—a leader in diversified, sustainable infrastructure—is collaborating with Long-Island based, Edgewise Energy, to repurpose 15,298 s/f of surplus parking spaces at 575 Broadhollow Rd. to install the energy-saving technology. The project represents a more than \$56 million investment into the region's clean energy resources and will result in more than \$45 million in public benefits to County taxpayers.

"This is an innovative project that will create power for our region's energy grid, while bringing significant value in terms of lower electric costs for thousands of residents and millions in increased tax revenue," said Suffolk County IDA executive director Tony Catapano. "The IDA is pleased to invest in this project as it represents a needed shift to cleaner energy solutions that will help the County reach its clean energy goals."

Generate is revolutionizing access to sustainable resources through innovative capital project financing in power, mobility, waste and water infrastructure projects. Their partner, Edgewise Energy, was founded by veterans in New York's clean energy sector as a way to develop innovative methods to help the State reach its aggressive clean energy goals. The technology being utilized for the project effectively converts fuels such as natural gas, hydrogen, or biogas, into electricity through an electrochemical process without combustion, cutting down on CO₂, NO_x and SO_x emissions.

"We're excited to make more resilient and energy efficient infrastructure available to Long Island and its residents through this innovative partnership, continuing our work supporting New York State in reaching its nation-leading clean energy targets," said Jeff Ross, senior managing director and head of the investment team at Generate. "Thanks to the assistance from the IDA, Generate will be able to bring the 575 Broadhollow Road project to fruition, providing jobs for local union contractors and vendors, and offer thousands of Suffolk residents the opportunity to save on electricity costs."

With the \$56 million investment being made for this project, 7,500 to 10,000 Long Island residents who elect to subscribe to the project will gain access to cheaper and cleaner electricity in terms of a fixed 10-percent reduction in their current rates. In addition, Edgewise Energy is working with the local non-profit, Community Development Corporation of Long Island, to ensure the opportunities for

lower-cost energy are reaching the communities that would benefit the most from the savings generated by the technology.

This project provides a major windfall for residents in terms of increased tax revenue. The surplus of parking spaces that will be utilized for this project currently nets approximately \$6,000 per year in property taxes. In the first year of the agreement with the IDA, 575 Broadhollow Road LLC will pay \$240,000 in taxes, 40 times the current rate. Over the course of the 25-year project term, it is expected that \$45.5 million in public benefits are realized—nearly \$7.7 million in tax revenue and nearly \$38 million in utility savings to residents—in exchange for less than \$3 million in sales tax exemptions.

“This project represents everything that an IDA could hope for when engaging with a new client on a new project,” said Kelly Murphy, deputy director of the Suffolk County IDA. “Drastic increase in tax revenue, utilization of local labor and local vendors as well as the generation of cheaper electric for thousands of residents are all things resulting from this investment. We believe this is the start of a very productive relationship between 575 Broadhollow Road LLC, its partners and the Suffolk County community at large.”

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